



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

REGION 5

77 WEST JACKSON BOULEVARD
CHICAGO, IL 60604-3590

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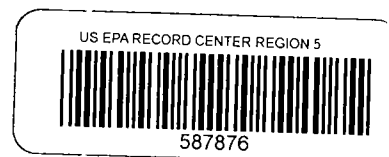
REPLY TO THE ATTENTION OF:

DE-9J

CERTIFIED MAIL

RETURN RECEIPT REQUESTED

JoAnn Merrick, Chief
Enforcement Program Section
Waste Management Division
Michigan Department
of Environmental Quality
P.O. Box 30473
Lansing, Michigan 48909-7973



976783

Re: United States v. Daelyte Service Company (E.D. Mich.)
Daelyte Service Company
1356/1360 Mount Elliott Avenue
Detroit, Michigan
U.S. EPA Identification Number: MID 006 537 336

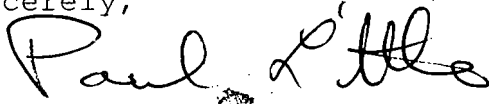
Dear Ms. Merrick:

We are writing this letter to inform you that the United States Environmental Protection Agency (U.S. EPA), is referring Daelyte Service Company (Daelyte), to the Michigan Department of Environmental Quality (MDEQ), Storage Tank Division (STD), for action on underground storage tanks (USTs), located at the site. U.S. EPA has exhausted its hazardous waste authority under Subtitle C of RCRA attempting to address environmental conditions at this site, and believes that any further action at the site should be taken at the State and local level.

U.S. EPA, Region 5's Underground Storage Tanks Section (USTS), is giving STD the option to enforce State UST requirements or request that U.S. EPA's UST program enforce the Federal UST requirements. Based on current State authorities such as criminal UST authority and Red-Tag authority, USTS believes that STD has the most effective tools to ensure compliance with RCRA Subtitle I.

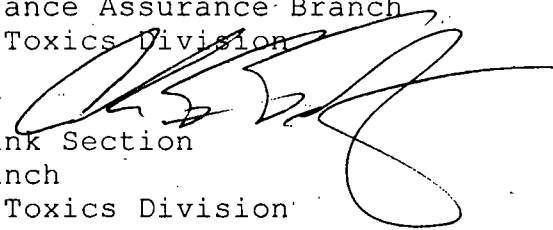
Enclosed is a brief history of the site. Obviously, this site has a long and complicated history and the Federal government has collected numerous files beyond the two Reports that are also enclosed. If we can answer any questions, or provide any additional files or information on the Daelyte site, please do not hesitate to contact Paul Little at (312) 886-4460, or Diane Sharrow at (312) 886-6199.

Sincerely,



Paul Little, Chief
Michigan/Wisconsin Section
Enforcement and Compliance Assurance Branch
Waste, Pesticides and Toxics Division

Andrew Tschampa, Chief
Underground Storage Tank Section
Program Management Branch
Waste, Pesticides and Toxics Division



Enclosures

cc: Roger Przybysz, MDEQ-STD
Larry Aubuchon, MDEQ-WMD (Livonia)
Jeannette Noechel, MDEQ-WMD (Detroit)
Sara Lile, City of Detroit
Paul Bernard, City of Detroit
W. Benjamin Fisherow, U.S. DOJ
Mary Reed, U.S. DOJ

DAELYTE SERVICE COMPANY HISTORY

In November 1985, the Michigan Department of Natural Resources (MDNR), found violations of the Resource Conservation and Recovery Act (RCRA), at the Daelyte Service Company (Daelyte), site. Specifically, open and unlabeled containers of waste and hazardous waste accumulation greater than 90 days. MDNR subsequently referred the site to U.S. EPA, Region 5's RCRA Subtitle C hazardous waste program. In January 1986, U.S. EPA issued an Administrative Order to Daelyte, and assessed a \$3,250 penalty. In May of 1986, the Michigan Corporation and Securities Commission dissolved Daelyte Service Company (Daelyte), for failure to file an annual report. In August 1987, the Federal Circuit Court for the Eastern district of Michigan (Court), issued a Default Order to Daelyte. In March 1988, MDNR attempted to reinspect the site and found the doors and gate locked.

U.S. EPA proceeded with enforcement activities that included the issuance of a demand letter to Mr. Horace Boutell, Daelyte's owner. U.S. EPA reinspected the site in 1988 and found a Ms. Rosemary Matteson and Astro-Maintenance "occupying" the site. U.S. EPA issued a final order to Daelyte in December 1988, and a subsequent Civil Action was filed by U.S. EPA against Daelyte. In 1989, a Default Order was issued by the Court and a Motion for Default Judgement was filed by U.S. EPA. In 1990, the Court granted the Motion for Default Judgement that required Daelyte to comply with U.S. EPA's 1987 Administrative Order and the applicable State regulations.

In 1991, U.S. EPA attempted, but failed, to gain access to the site from Mr. [non-responsive] who currently resides at [non-responsive] Grosse Pointe Woods, MI. In 1992, the matter was referred by U.S. EPA to the United States Department of Justice (U.S. DOJ). A 1994 U.S. EPA Superfund Division title search found that Mr. [non-responsive] still owned the property, while Ms. Matteson owned an adjacent building. In March 1995, U.S. DOJ obtained "access" to the site from Ms. Matteson. Ms. Matteson and Mr. [non-responsive] both have stated that Ms. Matteson is the current owner of the Daelyte site.

A 1995 inspection by MDEQ, and an inspection by U.S. EPA in December 1997, found that the original hazardous waste described in the 1985 inspection was no longer on site. However a December 1997 U.S. EPA inspection (Enclosure) found: 1) that a portion of the building had collapsed; 2) that there were approximately 1230 containers of varying condition that contained paint and industrial cleaning supplies on site (primarily paint); and 3) that there were three to four USTs with product on site.

U.S. EPA, Waste, Pesticides and Toxics Division (WPTD), referred the Site to U.S. EPA Superfund Division (Superfund), in June 1996. Superfund conducted a Site Assessment (Enclosure) in July 1998. Superfund concluded that the site did not meet the time-critical removal action criteria.

Ms. Matteson continues to claim that she is the site owner and that the waste materials in some, if not all, of the containers are used by her occasionally in her business. U.S. EPA has been unable to verify the nature of Ms. Matteson's business (Astro Maintenance). Since the quantity of the containers and their contents did not change between the State inspection in 1996 and the Superfund Assessment in July 1998, U.S. EPA doubts that the "materials" are in use. U.S. EPA was not aware of the USTs until the 1997 RCRA Subtitle C inspection.

As of June 30, 1999, U.S. EPA has been unable to verify with Wayne County or the City of Detroit that Ms. Matteson has title to the property and whether she is paying property taxes on the site. However, U.S. EPA does believe that Ms. Matteson lives in a residence adjacent to the Daelyte property (immediately adjacent to the collapsing building).

Based on a January 28, 1999, memorandum from U.S. DOJ, and discussions with the Office of Regional Counsel and U.S. EPA, Region 5, UST Section, we decided to refer the Daelyte site to MDEQ STD for possible action.